

INFORMATION REPORT

CD NO. 50

COUNTRY China

SUBJECT Communist Activities in Wenchow, Chekiang

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1. The Communist municipal government in Wenchow (120-38, 28-01), Chekiang Province, is organized in departments of industry and trade, finance and economic affairs, and culture and education, and bureaus for public security and public health. The city is divided into seven districts. CH'EN Hsiung (陳錫成) has been appointed head of Western Wenchow and TAI Cheng-hui (戴正輝) head of the Wu Hsien (吳縣) District; the remaining five districts have not yet been given heads.
2. Training classes of three months' duration have been established for employees of the Public Security Bureau and of the Finance and Economic Affairs Department. All employees of these two agencies retained from the Nationalist administration who had not received this Communist training were discharged.
3. The Communist People's Bank, established within a month after the occupation of Wenchow, has prohibited the circulation of gold and silver coins.* Through-out the area, surprise investigations have been made to determine possession of gold and silver; any coinage found is confiscated and the owner is forced to pay a fine equivalent to twice the value and may suffer imprisonment. Communist authorities are believed to have obtained approximately 10,000 ounces of gold and 50,000 silver dollars from the population since the occupation. All precious metals are supposed to have been converted into People's Currency (PC) through the People's Bank. The exchange rate has been fixed at 65,000 PC to one ounce of gold and 900 PC to one silver dollar.
4. As a result of inflation, however, economic conditions are difficult. Many large factories and stores in the area are closed, and business is slow. New agencies and newspapers have been closed by the Communists and their equipment commandeered for a Communist paper, the Shennan (申南) (Southern Chekiang) Daily News. This news agency, which has its offices in the house of TAI Fu-ch'uan (戴福川), No. 2 Wang, (Yen Chiang Chin K'ou 沔江頭), the Bund, formerly known as Yung-Chiuan (永川) Wharf, publishes both the newspaper and propaganda pamphlets on a variety of subjects for the Communists.
5. Communist authorities maintain a check on the inhabitants through curfews and other controls. Inspectors make frequent visits to Pao Chia offices to check new registrations and activities of regular residents. Arrests are sometimes made on suspicion, and accusations and sentences without obvious foundations have occurred fairly often.

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CENTRAL INTELLIGENCE AGENCY

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6. The Communist military force in the Wenchou area numbers approximately 20,000 men, including the Communist 21 Army, distributed throughout the region, and the Chekiang 1 Garrison Brigade, which is made up of local Communist units from Chekiang.

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